

ENABLING CONDITIONS FOR FINANCING SUSTAINABLE DEVELOPMENT GOALS

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I. INTRODUCTION

A change in the mindset and culture of designing development strategies, policies, and plans, and their monitoring and assessment is essential if Arab countries are to achieve the SDGs and address climate change concerns. Adopting an integrated approach to policy making is necessary to ensure policy coherence. This should be supported by a package of regulatory and market-based measures, in order to ensure that the proposed policies, plans, and programs are economically viable, socially equitable, and environmentally acceptable. Adopting a transparent, accountable, and participatory approach is a prerequisite for achieving this end. Building human capacity is one of the key requirements needed to make a qualitative shift towards sustainable development. It is recommended to reform the current institutional arrangements at the regional as well as national levels, such as establishing “High Councils for Sustainable Development”. This would ensure integrated policy formulation, adequate cooperation and coordination among different government entities, and between the government and non-state stakeholders. The Councils would also be responsible for overseeing and assessing the implementation of the proposed strategies, suggest remedial actions as may be required, and ensure adequate communication between the government, the general public, the private sector and civil society.

The financial system as currently designed is not geared to supporting sustainable development. However, ensuring the financial sustainability of policies, plans and programs is key to achieving the SDGs.

Apart from securing additional financial resources, focus should be on the mobilization and the redirection of existing local financial resources, both public and private. Emphasis should also be made on securing additional financial resources through the integration of the informal sector in the economies of Arab countries, encouraging public-private partnership projects, tax and subsidy reform policies, philanthropic institutions, remittances of workers working abroad, and private sector investments.

A pre-requisite to attract external assistance is to mobilize local resources through policy and

subsidy reforms and tax collection measures, alongside promoting transparency and public participation.

II. REQUIREMENTS TO IMPLEMENT SDGS

Some necessary requirements are needed for achieving the SDGs in Arab countries, covering strategies, policies, planning and governance. Those include:

A. Long-term Strategies and Medium-term Plans

Developing a long-term strategy with a clear vision, action plan, and indicators is an essential requirement for achieving sustainable development. Water, energy and food security continue to be among the main challenges facing Arab countries. This is further aggravated by rapid population growth, increased rates of poverty and the widening gap between the rich and poor, combined with increased levels of unemployment, illiteracy and poor educational and health services, particularly for low income groups, the poor and underprivileged communities.

SDG1 “End poverty in all forms everywhere”
SDG2 “End hunger, achieve food security and improved nutrition and promote sustainable agriculture”
SDG6 “Ensure availability and sustainable management of water and sanitation for all”
SDG7 “Ensure access to affordable, reliable sustainable and modern energy for all”

The outbreak of revolutions in several Arab countries since 2011 was mainly attributed to deteriorating social and economic conditions in these countries. Social injustice, reflected in inequitable distribution of wealth and social services, including sanitary and health facilities, education, and access to job opportunities were among the main causes for the Arab uprising, and they continue to be the main challenges facing these countries.

It should be emphasized that a necessary requirement for achieving sustainable development is a secure, stable, and predictable

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macro-economic environment. Conflicts and wars in some Arab countries, particularly in Syria, Libya, and Yemen have claimed a heavy toll on their MDG gains. Launching action plans for the implementation of the SDGs requires first and foremost restoring political stability and the rule of law. Some other Arab countries are still grappling with political governance issues that need to be resolved to prevent sparking further uprisings and unrest.

B. Good Governance, Transparency and Accountability

Good governance represented mainly in national institutions that function in an effective and efficient, transparent and accountable manner are necessary for achieving sustainable development. These are lacking in most Arab countries, thus requiring corrective actions and reform in the existing institutional set-ups of governments. Lack of public participation, transparency and accountability represent some of the main constraints for the development and implementation of strategies, policies, and action plans. Adopting more transparent, accountable, and participatory approaches in the formulation and implementation of policies enhances the confidence of the public in the government and creates a sense of ownership on the part of citizens, thus contributing to a more positive attitude towards the government. This ultimately contributes to increased productivity and a more efficient use of resources. Good governance may therefore be regarded as a requirement for and an outcome of sustainable development policies.

SDG16 "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels"

SDG17 "Strengthen the means of implementation and revitalize the global partnership for sustainable development"

Public participation is key in achieving sustainable development. Effective actual engagement of different stakeholders in the formulation, development, and implementation of strategies, policies, and plans is a necessary prerequisite for the successful realization of SDGs. Public participation ensures that priorities and concerns



of different segments of the population are taken into account in the formulation of policies, plans and programs. It also promotes transparency, accountability, and the empowerment and effective engagement of different stakeholders, and consequently the successful implementation of proposed policies, plans and programs. Adopting a top-down approach to development has proven its shortcomings, as this fails to reflect local priorities and concerns and the involvement of different stakeholders in the implementation process and the successful achievement of set targets and goals. Public participation may take different forms, including public policy dialogues, public hearings, surveys and questionnaires. What is also important is that governments should make the public aware of the status of implementation of the proposed programs, including successes, failures, bottlenecks and proposed measures for corrective actions.

C. Integrated Policymaking

Policy development and implementation in most Arab countries lacks integration of social, environmental, and economic aspects. In many instances, emphasis is mainly laid on economic

considerations without giving due attention to social and environmental considerations. Government policies may not only neglect these two dimensions, but may also result in negative implications on them. Adopting an integrated approach in policy development is therefore crucial in achieving sustainable development. Integrated policies that ensure complementarities and supportiveness of the three dimensions of sustainability should be developed. There is a need to depart from the assumption that there is always a tradeoff between the three dimensions of sustainability – this may still be the case at some point, but should not be the starting point in the policy formulation process. Starting from this premise is apt to render environmental and social considerations a low priority as compared to the economic aspects. Adopting the proposed approach requires full understanding of the interlinkages and feedback loop between the three dimensions of sustainability. It will also benefit from the use of a modeling exercise that clearly shows the implications of the different weights and priorities given to specific goals on other parameters and objectives. It has been proven that countries following an integrated approach in policy formulation have been better able to achieve sustainable economic development that is inclusive and socially acceptable, while at the same time ensuring the integrity of the environment. The Netherlands, Finland, Norway, and Denmark are good examples from Europe, while in Asia countries like Singapore, Malaysia, Indonesia, and South Korea achieved significant results in greening their economy. Arab countries starting to adopt Green Economy policies include UAE, Jordan, and Morocco, while the revised Sustainable Development Strategy in Egypt has adopted an integrated approach, with concrete results still to be seen.

Integrated policymaking is not only meant to ensure the integration of social, environmental, and economic aspects in policy design, but is also intended to ensure the integration and coherence between different sectoral policies. This is particularly relevant when addressing the water-energy-food nexus and the close relationship and interlinkages between them. It is therefore essential that the design of a long-term vision and strategy for water, energy, and food considers those linkages and implications closely in order to optimize the outcome of the proposed policies,

plans and programs, including the developmental and social component associated with them.

The general practice in most Arab countries is to develop policies in an isolated manner without proper coordination and integration between different sectors. This has resulted in a lack of coherence, coupled with shortsighted and deficient policies. It is therefore imperative that a mechanism is put in place to ensure proper coordination and integration of policies across sectors. Moreover, the increased number of ministries with unclear and sometimes overlapping responsibilities in most Arab countries further aggravates the situation. In almost all countries of the region, ministries of environment are the least budgeted with a restricted mandate confined to deal mainly with pollution related issues in isolation from mainstream economic sectors.

Since the Arab world faces a water, energy, and food challenge, priority should be given to addressing these challenges with a focus on how integrated policymaking will help achieve water, energy and food security for the region. Emphasis in policy design should also be laid on how the proposed policy would help revitalize and diversify the economies of Arab countries, promote resource efficiency, enhance competitiveness and market access, create jobs, reduce poverty and improve human welfare of the population.

D. Policy Coherence

Regulations supported by market-based incentives, if properly designed, can be quite effective in realizing sustainable development objectives. However, the general practice in most Arab countries is the development of regulations and market incentives, as well as trade and finance policies along sectoral lines without taking into account the implications of one policy tool on the other and their implications across sectors. Moreover, the full social, economic and environmental implications of the proposed policy package is not properly assessed and analyzed. That is to say regulations related to buildings and new communities do not necessarily take into account their social, economic, and environmental considerations and in most cases their implications on resource consumption and on other sectors such as, for example, roads and transportation. It is therefore essential that the



different policy tools are developed in such a way to ensure their supportiveness and coherence, and consequently their effectiveness in achieving sustainable development objectives.

Promoting tools and concepts such as the ecosystem approach, full lifecycle assessment, producers' responsibility, as well as consumers' responsibility can go a long way in promoting resource efficiency and reducing waste by producers and consumers. Adopting such approaches in the building and construction sector, for example, will necessitate that the full social and environmental together with the economic aspects are taken into account in the construction of buildings. This includes accounting for the carbon footprint resulting from the production of building material, the construction and operation processes, as well as the demolition phase. Social factors to be considered include the number of decent jobs created and the health implications resulting from the building and construction process.

Moreover, other necessary enabling conditions such as research and development, education,

public awareness, and capacity development policies should all be designed to support the overall strategic vision and direction of the country.

E. High Council for Sustainable Development

In order to ensure proper integration of policies and coordination between sectoral policies, policy coherence, as well as monitoring and follow up, it is proposed that a High Council for Sustainable Development attached to either the Head of State or the Prime Minister is established. It is proposed that such an entity includes the membership of all ministries. This body should function in tandem with another entity that represents the private sector, industry, academia and civil society, and minority groups. The main mandate of this institution will be to ensure integrated policy formulation, adequate cooperation and coordination between different government entities, and between the government and all other stakeholders in the country. It will also be responsible for overseeing and assessing the

OVERVIEW

THE ROLE OF OECD IN FINANCING SUSTAINABLE DEVELOPMENT**Kumi Kitamori**

The Addis Ababa Action Agenda clearly reaffirms the need to mobilise all available funding – public and private – to achieve the ambitious 2030 Agenda for Sustainable Development. The scale of required financing to realise the Sustainable Development Goals (SDGs) is unprecedented. In developing countries alone, the frequently cited estimate by UNCTAD puts the shortfall, or investment gap, at around USD 2.5 trillion per year.

What would it take to get to the trillions needed for financing the SDGs? No single financing instrument will deliver the SDGs. Official development assistance (ODA), private finance, as well as domestic fiscal revenues all play important roles. At USD 146.6 billion in 2017, according to the latest OECD Development Assistance Committee (DAC) figures, ODA forms a significant, yet small part of an ever-growing pie.

Official development finance

The OECD is exploring ways to better understand today's increasingly diverse and complex international financial architecture. To do this, new statistical methodologies and measures to better capture financing trends are being established, providing analysis to increase the transparency of finance available to developing countries. A new measure has been proposed and is provisionally entitled: Total official support for sustainable development (TOSSD). Going forward, the OECD will do its part to support international collaboration to shape and operationalise the TOSSD measurement framework.

The OECD is cooperating with the United Arab Emirates (UAE)¹ on broadening development finance. The UAE has significantly stepped up its development co-operation efforts in recent years. Its ODA, measured as a share of gross national income, reached 1.34 percent in 2013 and 1.17 percent in 2014 – well above the UN target of 0.7 percent and higher than that of all members of the OECD DAC. Many other policies beyond the scope of ODA but with an impact on development are carried out by the UAE. To get a better overview of all its official support for development, the UAE has completed a pilot exercise with the OECD, which identified three main areas of official support for development beyond ODA: (i) global public goods, (ii) financial instruments and (iii)

private finance mobilised by official sector interventions. This pilot will also contribute to the current discussion of what a broader measure of international development finance should look like. Such a measure should incentivise public financing in support of the SDGs and mobilise private resources for that purpose.

Mobilising private finance

Mobilising the private sector in the SDG agenda is crucial for addressing developing countries' annual USD 2.5 trillion investment gap, and also for bringing the innovation needed to address social, economic and environmental challenges. The OECD has developed a range of policy tools to help governments mobilise private finance in support of their development objectives and the SDGs. Based upon the experience gained through the application of these tools in countries at all levels of development, three general lessons stand out.

First, the obstacles facing private investors need to be removed by putting in place sound policy frameworks that support this type of investment. It might seem obvious, but in many cases the easiest way to promote private investment in the SDGs is to remove policy impediments that are not serving some other important social or development objectives.

Second, thinking horizontally across a government is key in order to promote policy coherence. All too often policy objectives are undermined when the actions of different ministries run at cross-purposes. Trade policies, investment policies, tax policies, competition policies, development policies – they all need to be aligned in support of promoting investment for sustainable development. This will also mean moving away from business as usual to harness integrated responses to economic, social and environmental issues.

Third, even while considering scaling up the volume of finance from billions to trillions, utmost attention needs to be paid to the quality of the investment generated. This is why governments have such an important role to play in establishing good labour, social, and environmental policies, and in promoting responsible business conduct and helping multinationals keep their international value chains clean. This would also ensure that programmes and projects are implemented more efficiently and with greater transparency and accountability.

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Blended finance: Leveraging ODA to attract private finance

The strategic use of official development finance for the mobilisation of additional private finance towards sustainable development in developing countries – i.e. blended finance – is an emerging frontier and growing priority for development finance stakeholders as well as philanthropic actors.

The collaborative approach between development and commercial actors will require a culture change, especially among development finance providers. Established roles and mandates differ among development and commercial actors, as do working modalities.

To ensure that blended finance is deployed to mobilise additional capital effectively and to deliver inclusive development outcomes and impact, DAC members have endorsed the OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals. Moreover, the G7 ministers recently agreed to broaden awareness of these Principles in an effort to help advance the use of innovative financing to increase the flow of capital into emerging markets.

Domestic tax revenues

In addition to ODA and private finance, much of the financing to reach the SDGs will have to be generated domestically, based on effective taxation and good financial management. The OECD has developed a range

of tools that enable countries to better track, manage and reform their systems to eliminate inefficiencies and generate more resources.

For example, the OECD Revenue Statistics have been expanded to over 80 countries, providing high-quality, internationally comparable statistics; the joint OECD-UNDP Tax Inspectors Without Borders has already realized USD 328 million in revenues to-date.

In addition, the OECD work to prevent base erosion and profit shifting (BEPS)² and the Automatic Exchange of Tax Information standards have helped countries raise 85 billion euros in unplanned additional revenues. The joint OECD, IMF, UN, and World Bank Platform for Collaboration on Tax goes further by supporting developing countries' implementation of BEPS measures and by increasing capacity support.

The OECD's Global Outlook on Financing for Development addresses these and other financing instruments that contribute to achieving SDGs. It captures and presents data on ODA, tax revenue statistics, foreign direct investment, remittances and philanthropy.

Green Finance and Investment

Given the long lifespan of infrastructure, the investment decisions made now will determine the likelihood of meeting the SDGs and the goals of the Paris Agreement. As the OECD report Investing in Climate, Investing

in Growth shows, around USD 6.3 trillion a year of investment in infrastructure is required between 2016 and 2030 to meet development needs globally. The good news is that making these investments climate compatible would amount to less than 10 percent additional investment costs per year.

Governments have a pivotal role in mobilising green finance and investment, in particular by: i) strengthening the enabling conditions for investment by aligning policy action across the economy; ii) providing investors with a pipeline of bankable and sustainable projects; iii) unlocking the supply of finance through innovative domestic institutions (e.g. green banks) and financing instruments (e.g. green bonds); and (iv) encouraging fuller disclosure and reporting of climate impacts and risks. The recommendations of the Task Force on Climate-related Financial Disclosures are providing impetus in this direction. National and international development banks and development finance institutions also have a key role to play, for instance by de-risking private sector investments.

The OECD Action Plan on SDGs

However, mobilising more finance is only a means to an end. We need impactful and targeted policies that

can help deliver the world we want in 2030. To bring together its contributions on policy, measurement and mobilisation of financing, the OECD adopted in 2016 an Action Plan on the SDGs. It recognises our collective responsibility, and the important role of the OECD in supporting our member and partner countries and the international community more broadly as we all work on the implementation of the SDGs.

NOTES

1. The UAE became the first non-member country participant in the OECD Development Assistance Committee in 2014. In 2015, the UAE provided its bilateral co-operation mostly to Egypt, Yemen, Jordan, Iraq, Morocco, Sudan and Pakistan. The main sectors of the UAE's bilateral disbursements were programme assistance, economic infrastructure (energy and transport) and humanitarian aid. The UAE provides its bilateral programme mostly in the form of grants.
2. As of July 2018, from the Middle East and North Africa region, Egypt and the UAE are signatories of to the Multilateral Convention to Implement Tax Treaty Related to Prevent Base Erosion and Profit Shifting (BEPS).

implementation of the proposed overall strategy, and related action plans and programs, suggest corrective or remedial actions as may be required, and ensure adequate communication between the government, the general public, the private sector and civil society.

F. Follow-up, Monitoring and Implementation

Though most Arab countries do not lack development plans, the main flaw lies in the lack of the sustainability element. In many instances this is in addition to lack of implementation, follow up, and an assessment mechanism as an integral part of the plan. In many countries of the region proposed strategies, plans and programs are mainly associated with a specific cabinet or minister which are not necessarily subject to being seen through by subsequent cabinets and ministries. This practice has led to a waste in the use of resources, and the disruption and delay

in achieving the set government objectives. This practice should be discontinued, with successive cabinets and ministers building on previous set strategies, plans, and programs and introducing necessary corrective actions as appropriate to address changing circumstances and emerging issues. Adopting such an approach will save scarce resources, ensures continuity and consistency of strategies, plans, and programs, and will promote building and capitalizing on success stories and learning from mistakes.

An important requirement for sound decision-making, follow-up, monitoring and implementation is the availability of high-quality reliable qualitative and quantitative data. This should be supported by adequate national capacities for data gathering, analysis and interpretation. Though the role of data gathering and dissemination is normally assigned to national statistical systems, close collaboration should be maintained between them and other

government institutions, including academia, the private sector, and civil society (Third International Conference, 2015).

G. Human Resource Development

Investing in human capital is one of the key requirements needed to make a qualitative shift towards sustainable development. Apart from a few countries in the region giving high priority to education, most countries in the region give education a low priority.

SDG 4 “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”

Investing in human resources includes reforming the education system in Arab countries to produce a future generation of highly qualified scientists, researchers, policymakers, practitioners and skilled workers needed to support sustainable development efforts. This requires an education system that encourages innovative thinking, research and development and that ensures the integration of sustainability considerations (environmental and social) across sectors. The education system needs to result in the production of calibers that are capable of supporting a transition to a green economy as a tool to achieve sustainable development. Particular attention should be given to vocational training to generate a caliber of skilled labor capable of introducing and applying resource efficient techniques, and handling new innovative environmentally friendly technologies. This new generation should include policymakers and practitioners that would be able to support integrated policy making across sectors (agriculture, industry, tourism, housing and construction, and transportation), in addition to water and energy efficient policies, the use of renewable water and energy resources, and integrated waste management.

H. Investing in the Environment

Investing in environmental and natural resources with a view of how such investments would support economic and social development should be the main guiding principle in developing national development strategies and action plans in the Arab region.

There is a need to depart from the conventional belief that environmental considerations represent a constraint and an impediment to development, to perceiving investment in the environment as an opportunity for achieving inclusive and equitable sustainable development.

I. Physical Infrastructure Development

An efficient physical infrastructure is necessary to support sustainable development. Priority should be given to electricity and water networks and services, road networks, transportation systems, wastewater treatment and sewage facilities with emphasis given to the construction of biogas production units in villages and remote communities. Investments should be done in renewable sources of energy and water, including water recycling and desalination using renewable sources of energy. This should be supported by a package of regulations and incentive measures that encourage the shift towards sustainable production and consumption patterns, thus promoting efficiency in the use of water, energy, food, and other factor inputs, and a shift towards renewable water and energy sources and integrated waste management techniques and practices.

SDG12 “Ensure sustainable consumption and production patterns”

Emphasis in the design of road and transportation systems should be on the development of environmental friendly public transport systems vis-à-vis private car ownership. Apart from reducing CO₂ emissions, this will also contribute to promoting social justice by catering for the needs of middle- and low-income families. This can be further achieved by prioritizing road construction and transportation systems for rural and remote areas, thus providing access to economic and job opportunities and markets for these communities.

J. Research and Development

Innovative approaches and environmentally sound technologies are key in achieving sustainable development objectives and addressing climate change concerns. There is a need for a clear long-term research strategy

to support the realization of sustainable development objectives. Such a strategy, which should be socially acceptable, environmentally sound, and economically viable is thus significantly important for realizing sustainable development and human welfare.

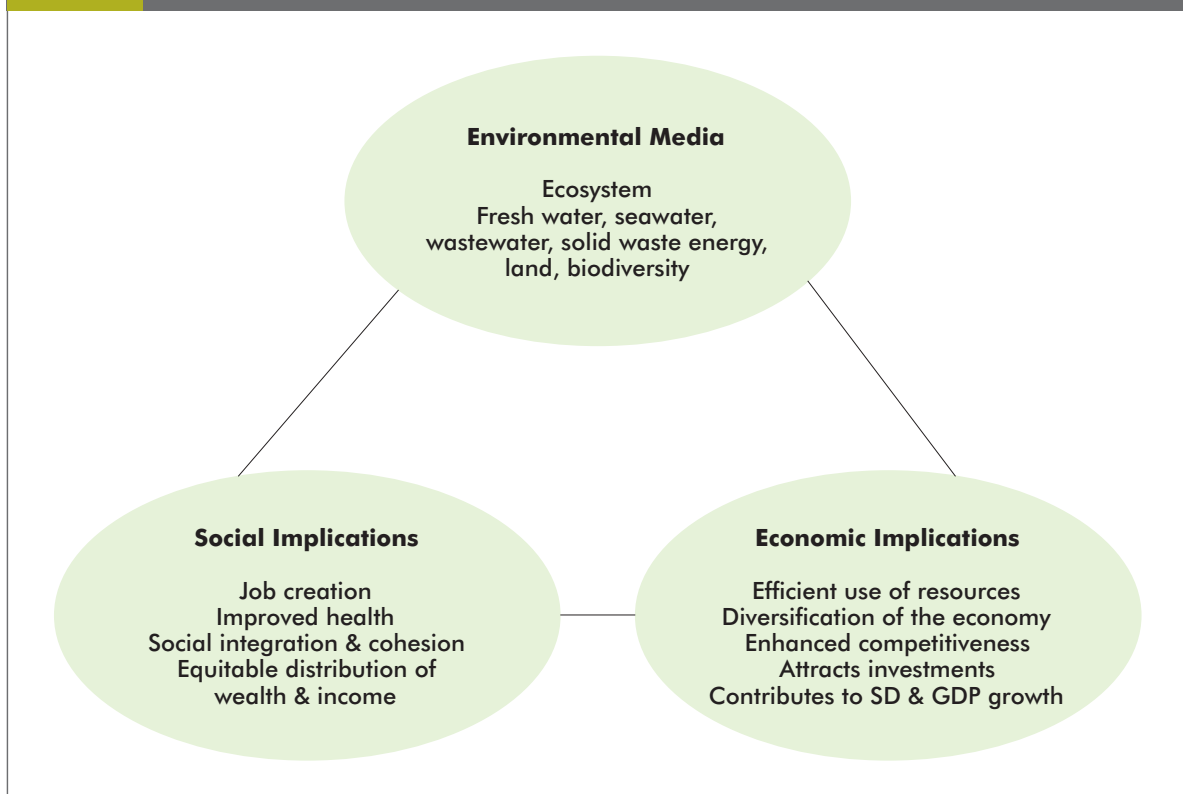
SDG13 “Take urgent action to combat climate change and its impacts”

Areas of research may include innovative technologies for renewable sources of water and energy, the use of renewable sources of energy for water desalination, waste to energy, environment friendly public transport systems, water saving and efficient crops, building and construction material and techniques, green industrial technologies, and waste recycling equipment. The potential of industry and the private sector, academia, and national research institutions should be tapped into and close linkages between them established.

K. Methodological Approaches and Tools

Transitioning into a green economy is one of the most effective tools to achieve sustainable development. The concept was launched by UNEP in October 2008 in response to the financial and economic crisis facing the world. It emphasizes investing in environmental resources as a means to improve human well-being and social equity. It also emphasizes investing in human capital as a necessary requirement for shifting to a sustainable development. Rather than considering the environment as a constraint to development, it should be viewed as an opportunity for achieving sound and sustainable development. Adopting a green economy approach promotes the revitalization and diversification of economies, efficiency in the use of natural resources and factor inputs, reduces waste, promotes innovation, enhances competitiveness and market access, creates new jobs, and improves health and human welfare.

FIGURE 1 INVESTING IN THE ENVIRONMENT



“A green economy is one that results in improved human well-being and social equity while significantly reducing environmental risks and ecological scarcities” (UNEP 2010)

Promoting sustainable consumption and production patterns is essential in enhancing resource efficiency and reducing waste. It is estimated that about one third of produced food is wasted worldwide. This figure is expected to be higher in the Arab world, given their current consumption practices. Wasteful food, water, and energy consumption in Arab countries is attributed to cultural and traditional considerations, as well as to the low price level of these resources. Subsidies provided by most Arab countries for water, energy and food induce wasteful consumption of these resources. However, a number of countries in the region have already started taking steps to phase out subsidies on these resources. These include Egypt, Kuwait, Qatar, and Saudi Arabia (AFED, 2015).

The main tool for measuring economic performance continues to be the system of national accounts (SNA). It is used by governments to provide an indicator for the performance of an economy. It was introduced in the 1930s mainly to measure the value of goods and services produced in a country. However, the SNA is not a correct indicator for measuring sustainable development and human welfare. It does not reflect the depletion and degradation of resources and provides a distorted picture regarding the performance of the economy. For instance, it reflects damage, and the cost of selling natural assets such as oil and natural gas as an income. Attempts to provide an alternative measurement or indicator started in the early 1980s when UNEP, together with the World Bank, started off an initiative exploring the introduction of environmental accounting as a genuine measure for the real performance of an economy.

Since the early eighties a great deal of work has gone into the development of methodologies for green and environmental accounting or what is referred to by the Statistics Division of the United Nations Division of Economic and Social Affairs (DESA) as “Integrated Environmental and Economic Accounting”. The need to go beyond



the GDP has been further stressed in the Stiglitz Commission Report on the Measurement of Economic Performance and Social Progress established in 2008 to identify the limits of GDP as an indicator for human wellbeing. The proposed system for green accounting is reflected in The Handbook of National Accounting: Integrated Environmental and Economic Accounting 2003. The Handbook brings together economic and environmental information in a common framework to measure the impact of the economy on the environment and vice versa. This has been followed by the preparation by the United Nations Department of Economic and Social Affairs (DESA) of a revised version of the System of Environmental and Economic Accounting (SEEA). The final version of the SEEA Central Framework was published in February 2014.

Apart from several developed countries who have established green accounting systems such as the Netherlands, Germany, and France, developing countries introducing the system include China, Indonesia, and the Philippines (Sustainable and Green Growth for Egypt, 2011). There is little or no evidence that Arab countries have taken steps towards introducing environmental or green accounting as an indicator for achieving sustainable development.

III. THE ROLE OF DIFFERENT STAKEHOLDERS

Achieving sustainable development requires the concerted efforts of different stakeholders in a coordinated manner. The role of governments should continue to be mainly regulatory and supervisory, and should provide the enabling and facilitating environment for different entities to contribute to sustainable development. One of the main roles of governments, as stated earlier, is to provide the right kind of institutions that function in an efficient, transparent and accountable manner. They should provide a predictable and secure macroeconomic environment that encourages and attracts local and external investment. A stable macroeconomic environment is represented in stable and predictable fiscal policies, including exchange rates, policies related to investment requirements, the registration and creation of new companies, laws governing the allocation of land, transfer of funds, and import of technologies and equipment required for investment projects. Governments also play a critical role in the design of policy packages that promote sustainable production and consumption and the transition to a green economy, and consequently the achievement of sustainable development objectives.

A. The private sector

Governments alone cannot address the challenges facing the realization of the sustainable development goals. The private sector has an important role to play in the implementation of proposed strategies and the achievement of sustainable development. Characterized by more efficient and accountable operating structures, qualified technical and operating staff and efficient and flexible administrative structures, technical and financial capabilities,

the private sector can play an effective role in supporting governments in achieving sustainable development. Governments need, though, to provide the necessary enabling environment to encourage private sector engagement. Public-Private-Partnership (PPP) provides an effective arrangement for utilizing the potential of the private sector in investing in different sectors, including the housing sector, transportation, water, energy, agriculture, industry and tourism. PPP should therefore be promoted, where governments would – apart from providing the necessary enabling conditions for the private sector to operate in different sectors – provide the framework and guiding principles for the different sectors to ensure that the development component is taken into account in the implementation their operations.

B. Research institutions

The development of a long-term research and development (R&D) strategy to support the implementation of sustainable development, achieve SDGs and address climate change concerns is essential. In order to develop an effective R&D strategy, there should be close collaboration between research institutions, academia, and the private sector. Research institutions and universities should be fully aware of government policy directions as well as the needs of the different sectors in order to direct their research accordingly. Close coordination between relevant institutions should therefore be maintained to ensure that R&D is consistent with government policies and is designed to support sustainable development objectives.

C. Civil society

Civil society has an important role to play in promoting and implementing sustainable development. This is mainly due to their knowledge of realities on the ground, priorities, concerns and actual needs of local communities. Moreover, civil society organizations through effective stakeholders' engagement have gained the confidence and trust of local communities, and consequently have greater potential in implementing sustainable development programs, plans and projects. Governments should therefore capitalize on the potential of civil society organizations by providing the necessary enabling

conditions for their effective engagement. This may be achieved by facilitating the registration and creation of civil society organizations, reducing cumbersome and complicated registration requirements, encouraging their involvement in the implementation of sustainable development plans, programs, and projects by assigning them specific activities in support of government efforts in the various sectors. Specific activities that civil society organizations would be most effective in undertaking include the following:

- Designing and implementing public awareness campaigns, including the development of communication packages targeting different stakeholders.
- Undertaking a needs assessment for capacity building requirements for the different target groups, including policy and decision makers, practitioners, and skilled labour needed to support the transition to green economy and sustainable development.
- Organizing and conducting national workshops and seminars aimed at promoting sustainable development in different sectors.
- Conducting training and sensitization courses and sessions for different target groups aimed at enhancing local capacities in achieving SDGs and implementing sustainable development policies, plans and programs.
- Implementing projects on the ground, which may include capacity building and public awareness related projects, training the trainers programs. Other activities may include the implementation of sustainable development related projects such as organic and sustainable agricultural projects, cleaner production related activities, integrated solid waste, including waste to energy, and the production of compost from municipal solid waste and agricultural waste.

D. Media

The role of the media in awareness raising and communicating the benefits of greening national economies and transitioning to a green economy and a sustainable development path cannot be ignored. The potential of media in reaching out to the different segments of the population with their different backgrounds, levels of education, priorities and concerns should be adequately

utilized to support the transitioning to a green economy and the achievement of the SDGs. The media also has the potential of reaching out to the general public in different geographic locations and in remote areas. There is a great need, in the first instance, to communicate and make explicitly clear what is behind the different concepts and approaches – what are their implications, advantages, and what actions are needed to achieve the desired outcomes? For many, the term sustainable development for example is still an ambiguous term that has different meanings for different people. It is therefore essential that there is a common understanding at the national level of the meanings of the different concepts and approaches. The media should have a thorough understanding of the terminology and should be fully versed and updated about the main issues concerning sustainable development on the international agenda.

Lack of knowledge and understanding by media is likely to result in communicating the wrong message with negative implications, including failure to mobilize stakeholders to support sustainable development efforts. It is therefore essential that the media is properly briefed about the main concepts, issues involved and their implications for the different stakeholders and the country as a whole. It should be emphasized that the sensitization of media should not be confined only to those responsible for the environment portfolio, but should be extended to those covering economic and development matters due to the interconnectedness of the issues. This will also allow for a broader coverage and outreach.

E. Development institutions and donor agencies

Development and donor funding can play an important role in supporting sustainable development activities if properly utilized. However, the lack of adequate coordination of activities by development and donor institutions at the national level can sometimes result in the duplication of efforts and the inefficient use of donor funding, and consequently the ineffectiveness of donor funded activities. Though attempts have been and continue to be made by donors to properly coordinate their activities at the national level, a great deal is yet to be achieved. It should be emphasized, however,

that coordination of donor funding and activities should be the role of governments. It is essential that proper coordination is maintained between activities supported by development institutions and donor agencies in order to avoid the duplication of efforts, ensure the supportiveness and complementarities of activities and enhance the effectiveness of efforts at the national level.

F. Financial Institutions

Making available the needed financial resources is necessary to support the implementation of sustainable development activities, including achieving the SDGs and addressing climate change concerns. Financial institutions should be directed towards providing funds and soft loans for supporting sustainable development activities. Emphasis should be given to providing soft loans to support priority areas including water, energy, and food production for small and medium-sized enterprises (SMEs). Priority should also be given to funding activities contributing to capacity development and education, health, and public awareness. Seeking loans from international financial institutions and donor agencies to meet public deficits, payment of subsidies and salaries should be avoided to the maximum extent possible. Such loans are not directed towards investment projects in productive sectors that will

result in financial gains to enable the repayment of loans and the servicing of the debt, hence placing additional financial burdens on current and future generations.

IV. CONCLUSION

Adopting sustainable development policies, if properly designed and implemented, is likely to generate sufficient funding to support sustainable development activities. Domestic resource mobilization supported by public policies are key for achieving sustainable development. These policies include good governance, adequate fiscal space, countercyclical fiscal policies, and measures to combat corruption.

Apart from securing additional financial resources, focus should be on the mobilization and the redirection of existing local financial resources, both public and private, towards supporting sustainable development activities. Policy coherence and harmonization will go a long way towards achieving this objective. It does not make any economic sense to maintain conventional investment options, while at the same time aiming to channel funds to support new and innovative environment-friendly sustainable investments.

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